Exhibit K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _____________.

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report:

Commission file number: 001-39977

Baosheng Media Group Holdings Limited
(Exact name of Registrant as Specified in its Charter)

Cayman Islands

(Jurisdiction of Incorporation or Organization)

Floor 15, Yonghe East Building B
No.28 Andingmen East Avenue
Dongcheng District, Beijing, China
+86-13488886502

(Address of Principal Executive Offices)

Wenxiu Zhong, Chief Executive Officer
Floor 15, Yonghe East Building B
No.28 Andingmen East Avenue
Dongcheng District, Beijing, China
+86-13488886502

(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value $0.0005 per share	BAOS	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

An aggregate of 29,260,784 ordinary shares, par value $0.0005 per share ("Ordinary Shares"), as of December 31, 2021.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Emerging growth company	☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP	☒	International Financial Reporting Standards as issued by the International Accounting Standards Board	☐	Other	☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

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Our limited operating history in a rapidly evolving industry makes it difficult to accurately forecast our future operating results and evaluate our business prospects.

We substantially commenced developing our online advertising service business since the arrival of Ms. Wenxiu Zhong, our founder, chairperson of the board, and the chief executive officer of our Company, in 2015, and have since seen rapid growth. We expect we will continue to expand as we seek to expand our advertiser and media bases and explore new market opportunities, including establishing our own KOL network. However, due to our limited operating history, our historical growth rate may not be indicative of our future performance. Our future performance may be more susceptible to certain risks than a company with a longer operating history in a different industry. Many of the factors discussed below could adversely affect our business and prospects and future performance, including:

- our ability to maintain, expand and further develop our relationships with advertisers to meet their increasing demands;
- our ability to maintain our first-tier agency relationships with our key media and further develop agency relationships with popular media of different and emerging media formats;
- our ability to introduce and manage the development of new services;
- the continued growth and development of the online advertising industry;
- our ability to keep up with the technological developments or new business models of the rapidly evolving online advertising industry;
- our ability to attract and retain qualified and skilled employees;
- our ability to effectively manage our growth; and
- our ability to compete effectively with our competitors in the online advertising industry.

We may not be successful in addressing the risks and uncertainties listed above, among others, which may materially and adversely affect our business, results of operations, financial condition and future prospects.

Certain customers contributed to a significant percentage of our total revenue during the fiscal years 2021, 2020 and 2019, and losing one or more of them could result in a material adverse impact on our financial performance and business prospects.

During the fiscal years 2021, 2020 and 2019, we derived most of our revenues from a few customers. Our five largest customers in the fiscal years 2021, 2020 and 2019 accounted for 96.0%, 89.9% and 79.2% of our total revenue, respectively. Sogou, for which we have been an authorized agency since 2016, had been our top customer during the fiscal years 2021, 2020 and 2019, accounting for 41.8%, 68.9% and 45.6% of our revenue, respectively. Our top five customers during the fiscal years 2021, 2020 and 2019 include search engine operators, short-video platform operators, and advertising agencies who place ads for their advertiser clients through us. The identities of our customers vary depending on the type of revenue and the nature of the business transaction, comprising both advertisers and media (or their authorized agencies). See “Item 4. Information on the Company — 4.B. Business Overview — Customers.”

We typically enter into agency agreements (in case of media for which we are authorized agency) and framework agreements with these top customers with a term of one year or shorter, which are subject to renewal after expiry. Our top publisher, Sogou, has been acquired by Tencent and its business is currently under restructuring. We have been trying to secure the authorized agency status of Sogou for the year ending December 31, 2022. However, there is uncertainty as to whether and when we can successfully secure an authorized agency status with Sogou. Any failure to renew these agreements or any termination of such agreements may have a material adverse impact on our results of operations.

3. "Pubang Landscape" represents Pubang Landscape Architecture Co., Ltd., a joint stock company established in the PRC with limited liability on July 19, 1995, whose shares are listed on the Shenzhen Stock Exchange (stock code: 002663.SZ), and is a financial investor of our Company and one of our pre-IPO investors.
4. "Pubang Hong Kong" represents Pubang Landscape Architecture (HK) Co., Ltd., a company formed in Hong Kong with limited liability in September 2013 and is a direct wholly owned subsidiary of Pubang Landscape.
5. "CYY Holdings" represents CYY Holdings Limited, a business company formed in the BVI with limited liability in November 2013 and is wholly owned by Mr. Yick Yan Chan.

D. Property, Plants and Equipment

Our corporate headquarter is located in Beijing, China. We use the ten properties we own and one property we lease from an unrelated third party in Horgos as office spaces with an aggregate gross floor area of approximately 11,296.28 ft^2. We lease four properties as office spaces in Beijing, Shanghai, and Kashi, from unrelated third parties under operating lease agreements. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

ITEM 4.A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and results of operations is based upon and should be read in conjunction with our consolidated financial statements and their related notes included elsewhere in this annual report. This annual report contains forward-looking statements. See "Forward-Looking Information" in this annual report. In evaluating our business, you should carefully consider the information provided under the caption "Item 3. Key Information—D. Risk Factors" in this annual report. We caution you that our businesses and financial performance are subject to substantial risks and uncertainties.

A. Operating Results

Overview

We are an online marketing solution provider based in China. We are dedicated to helping advertisers manage their online marketing activities to achieve their business goals. Founded in 2014, our business has grown rapidly from a start-up online marketing agency to a multi-channel online marketing solution provider. We advise advertisers on online marketing strategies, offer value-added advertising optimization services and facilitate the deployment of online ads in various forms such as search ads, in-app ads, mobile app ads and social media marketing ads. At the same time, as authorized agencies of some popular online media, we help online media to procure advertisers and facilitate ad deployment on their advertising channels.

Along with the further penetration of the Internet, particularly on mobile devices, we believe an increasing number of advertisers would use online advertising channels because of their unlimited geographic coverage, promptness and inclusivity. With our experience in the online advertising industry and insights on industry trends, we are well-positioned to capture the opportunities offered by the continued rapid growth of the online marketing industry.

Our service categories

Our advertising services are classified into two categories:

- SEM services, which include the deployment of ranked search ads and other display search ads offered by search engine operators; and

- Non-SEM services, which include social media marketing, in-feed advertising, and mobile app advertising by deploying ads on media such as social platforms, short-video platforms, news portals, and mobile apps in the forms of in-feed ads, banner ads, button ads, interstitial ads, and posts on selected social media accounts.

We regard our business value as revolving around our ability to serve the needs of two major business stakeholders: advertisers and media. On one hand, with our experience and insights in the online advertising industry, we help advertisers to effectively carry out their advertising campaigns by offering advices on online advertising strategies, carrying out advertising optimization and facilitating the deployment of online ads. On the other hand, we help media to connect with advertisers and facilitate the monetization of their advertising resources.

We have built a broad and diverse advertiser base from a broad range of industries, including ecommerce and online service platforms, online travel agencies, financial services, online gaming, car services and advertising agencies, among others. For the years ended December 31, 2021, 2020 and 2019, the number of advertisers (including direct advertisers and third party advertising agencies subscribing our services on behalf of their advertising clients) were 462, 410 and 438, respectively. However because the new advertisers contributed lower gross billing than our existing advertisers, our gross billing were $54.7 million, $134.9 million and $202.7 million, respectively. For the years ended December 31, 2021, 2020 and 2019, top five advertisers contributed 44.8%, 47.5% and 37.7% of total gross billing, respectively.

We earn rebates and incentives from media or their authorized agencies (collectively “publishers”) for procuring advertisers to place ads with them, or net fees from advertisers when we purchase ad inventory and advertising services from media and other advertising service providers on their behalf. As such, our customers are comprised of publishers and advertisers. We recognize revenues on a net basis as either rebates and incentives from publishers or net fees from advertisers. For the years ended December 31, 2021, 2020, and 2019, we generated rebates and incentives from publishers of $3.7 million, $9.4 million, and $16.0 million, respectively, and net fees from advertisers of $0.2 million, $2.5 million and $1.9 million, respectively.

For the year ended December 31, 2021, our decrease in gross billings and revenues as compared with those of the year ended December 31, 2020 was mainly caused by the decrease in gross billing and revenue from Sogou. Sogou was our top publisher for the years ended December 31, 2020 and 2019. For the years ended December 31, 2020 and 2019, Sogou contributed gross billing of $82.2 million and $107.0 million, and revenues of $8.1 million and $7.9 million, respectively. However, our annual authorized agency agreement with Sogou expired in March 2021, which was not renewed subsequently. We did not act as the authorized agent of Sogou since April 2021. As a result of this, our revenue generated from SEM services with Sogou for the year ended December 31, 2021 declined substantially as compared with the year ended December 31, 2020.

In addition, in the first half of 2021, we entered into authorized agency agreements with both Alibaba and ByteDance, respectively, focusing on the advertising agency services for advertisers in the education industry. However, due to the spread of unofficial news (which was officially announced in July 2021) related to new governmental regulations restricting off-campus tutoring for students undergoing compulsory education in the education industry since mid-April 2021, our advertisers in the education industry adopted conservative business strategies and decreased their advertising spends. As a result, the purchasing orders from our advertisers were negatively impacted and the rebates and incentives earned from Alibaba and ByteDance were below expectations.

Gross billing and media costs

Gross billing is defined as the actual dollar amount of advertising spend of our advertisers, net of any rebates and discounts given by us to the advertisers (if any). We use gross billing to assess the business growth, market share and scale of operations.

Media cost represents the cost for acquisition of ad inventory or other advertising services from media and other advertising service providers, offset by rebates and incentives we receive from the relevant media and advertising service providers (if any).

Factors Affecting Our Results of Operations and Trend Information

Size and spending of advertiser base

We earn revenue in the form of (i) rebates and incentives offered by publishers for procuring advertisers to place ads with them, which are usually calculated with reference to the advertising spend of the advertisers and are closely correlated to the gross billing from advertisers, netting of rebates to advertisers (if any); and (ii) the net fees from advertisers, which are essentially the fees we charge advertisers (i.e. gross billing) net of the media costs and other costs of procuring advertising services we incur on their behalf. Accordingly, our revenue base and our profitability are very much driven by our gross billing with advertisers, and the relevant media's rebate policies which determine, among other things, the rates of rebates we receive from media (or their authorized agencies). The rebates and incentives we receive from media are calculated as a percentage of the total advertising spend of the advertisers procured by us in a given period, with the percentage typically ranging from 10% to 20%. See "Item 4. Information on the Company—B. Business Overview — Revenue Model and Payment Cycle — Rebates and incentives from publishers — Rebates and incentives offered by media (or their authorized agencies)" for details.

The willingness of advertisers to spend their online advertising budget through us is critical to our business and our ability to generate gross billing. Our advertisers' demand for advertising services can be influenced by a variety of factors including:

1 Macro-economic and social factors: domestic, regional and global social, economic and political conditions (such as concerns over a severe or prolonged slowdown in China's economy and threats of political unrest), economic and geopolitical challenges (such as trade disputes between countries such as the United States and China), economic, monetary and fiscal policies (such as the introduction and winding-down of qualitative easing programs).

2 Industry-related factors: such as the trends, preferences and habits of audiences towards online media and their receptiveness towards online advertising as well as the development of emerging and varying forms of online media and contents.

3 Advertiser-specific factors: an advertiser's specific development strategies, business performance, financial condition and sales and marketing plans.

A change in any of the above factors may result in significant cutbacks on advertising budgets by advertisers, which would not only result in a reduction of our revenue, but would also weaken our negotiating position with media on rebate policies and negatively impact our ability to earn advertising spend-driven rebates and incentives from media.

Rebate policies offered from publishers and those offered to advertisers

Publishers may change the rebate and incentive policies offered to us based on prevailing economic outlook, competitive landscape of the online advertising market, and their own business strategy and operational targets. For instance, a media may reduce the rate of rebate offered to us for reason of changes in its business strategies, resource reallocation, increased popularity and demand for their media resources, etc., or may adjust their incentive programs or their benchmarks and measuring parameters for incentive offerings based on their changing marketing and target audience strategies. If media impose rebate and incentive policies that are less favorable to us, our revenue, results of operations and financial condition may be adversely affected.

On the other hand, we may offer rebates to our advertisers. The level of rebates we offer to our advertisers is determined case by case with reference to the rebates and incentives we are entitled to receive from the relevant media (or its authorized agency), an advertiser's committed total spend, our business relationships with such advertiser and the competitive landscape in the online advertising industry. If it emerges that an increase in the rate of rebate to our advertisers is necessary for us to remain competitive or align with the emerging competitive environment, our revenue and profitability may reduce.

Our ability to attract new media and to maintain relationship with existing media

We have established and maintained relationships with a wide range of media and their authorized agencies, as well as agencies of KOLs, which offer our advertisers diverse choices of ad formats, including search ads, in-feed ads, mobile app ads

and social media ads. Our future growth will depend on our ability to maintain our relationships with existing media partners as well as building partnerships with new media.

In particular, we act as authorized agency for some popular online media to help them procure advertisers to buy their ad inventory and facilitate ad deployment on their advertising channels. As media's authorized agency, our relationships with the media are mainly governed by agency agreements which provide for, among other things, credit periods and the rebate polices offered to us. These agency agreements typically have a term of one year, and are subject to renewal upon expiry. The commercial terms under the agency agreements are subject to renegotiation when they are renewed. Besides, media usually retain the right to terminate the authorized agency relationship based on business needs at their discretion.

If any media ends its cooperative relationship with us or terminates our authorized agency status, or imposes commercial terms which are less favorable to us, or we fail to secure partnerships with new media partners, we may lose access to the relevant advertising channels, sustain advertiser deflection, and suffer revenue drop.

Impact of COVID-19 on our business

Our business could be adversely affected by the effects of epidemics. The COVID-19 pandemic has spread around the world. Our headquarters is located in Beijing, China. Due to the COVID-19 pandemic, we and some of our business partners have implemented temporary measures and adjustments of work schemes to allow employees to work from home and collaborate remotely. We have taken measures to reduce the impact of the COVID-19 outbreak, including, but not limited to, upgrading our telecommuting system, monitoring employees' health on a daily basis and optimizing technology system to support potential growth in user traffic. In the short term, the COVID-19 pandemic has created uncertainties and risks. With the work resumption within China, we expect our gross billing and revenues on a net basis will continue to increase in the long-term. Based on the current situation, we do not expect a significant impact on our operations and financial results in the long run. The extent to which COVID-19 impacts our results of operations will depend on the future development of the circumstances, which is highly uncertain and cannot be predicted with confidence at this time.

We earned gross billing in the amount of $54.7 million for the year ended December 31, 2021, a decrease of $80.2 million, or 59%, from $134.9 million for the year ended December 31, 2020. Due to the higher media costs charged by publishers, our revenues on a net basis for the year ended December 31, 2021 decreased by approximately $8.0 million, or 67.2%, as compared with the fiscal year ended December 31, 2020. In addition to the impact of COVID-19, which led to decreased orders from our advertisers, the decrease of gross billing and revenues was mainly due to the fact that we did not act as the authorized agent of Sogou since April 2021, which was our top publisher for the years ended December 31, 2020 and 2019. For the years ended December 31, 2020 and 2019, SEM services with Sogou contributed gross billings of $82.2 million and $107.0 million, respectively, while for the year ended December 31, 2021, SEM services with Sogou contributed gross billings of $18.2 million. The sharp decrease in gross billings resulted in a decrease of rebates and incentives earned from Sogou, which were both calculated as a percentage of gross billings. For the year ended December 31, 2021, our revenues from Sogou were $2.0 million, representing a decrease of $6.1 million from $8.1 million for the year ended December 31, 2020.

Additionally, as affected by the COVID-19 pandemic and stricter governmental regulations against education industry, financial industry and gaming industry, our advertisers slowed down the payments processing procedures. For the year ended December 31, 2021, we witnessed a longer turnover days in accounts receivable due from mobile app ads advertisers. To mitigate the adverse impact on our cash flows, we reduced our services provided to mobile apps customers in the fiscal year 2021. In addition, we also provided higher allowance on doubtful accounts of accounts receivable, prepayments and other current assets.

Our operations could be disrupted if one of our employees is suspected of COVID-19 or another epidemic disease, as it may require our employees to be quarantined and/or require us to close our offices. In addition, our results of operations could be adversely affected to the extent that the outbreak harms the overall economy in the PRC and the advertising industry in particular.

Results of Operations for the Years Ended December 31, 2021 and 2020

The following table summarizes the results of our operations during the years ended December 31, 2021 and 2020, respectively, and provides information regarding the dollar and percentage increase or (decrease) during such years.

	For the years ended December 31,		Variance	
	2021	2020	Amount	%
Revenues	$ 3,911,560	$ 11,911,229	$ (7,999,669)	(67.2)%
Cost of revenues	(2,077,516)	(1,256,353)	(821,163)	65.4 %
Gross profit	**1,834,044**	**10,654,876**	**(8,820,832)**	**(82.8)%**
Operating expenses				
Selling and marketing expenses	(1,086,078)	(947,834)	(138,244)	14.6 %
General and administrative expenses	(2,856,789)	(2,103,263)	(753,526)	35.8 %
Provision for doubtful accounts	(6,880,008)	(1,960,604)	(4,919,404)	250.9 %
Impairment of property and equipment	(434,878)	–	(434,878)	100 %
Total operating expenses	**(11,257,753)**	**(5,011,701)**	**(6,246,052)**	**124.6 %**
(Loss) Income from operations	**(9,423,709)**	**5,643,175**	**(15,066,884)**	**(267.0)%**
Other income (expenses)				
Interest expense, net	(57,109)	(183,896)	126,787	(68.9)%
Change in fair value of warrant liabilities	2,367,632	–	2,367,632	100 %
Subsidy income	574,878	955,439	(380,561)	(39.8)%
Other (expenses) income, net	(209,145)	638,611	(847,756)	(132.7)%
Total other income, net	**2,676,256**	**1,410,154**	**1,266,102**	**89.8 %**
(Loss) Income before income taxes	**(6,747,453)**	**7,053,329**	**(13,800,782)**	**(195.7)%**
Income tax expense	–	(108,638)	108,638	(100.0)%
Net (loss) income	**$ (6,747,453)**	**$ 6,944,691**	**$ (13,692,144)**	**(197.2)%**

Revenues

We primarily generate our revenues from providing online marketing solutions. We recognize all our revenues on a net basis, which comprises of (i) rebates and incentives offered by publishers for procuring advertisers to place ads with them, which are typically calculated with reference to the advertising spend of our advertisers and are closely correlated to our gross billing from advertisers; and (ii) net fees from advertisers, which are essentially the fees we charge our advertisers (i.e. gross billing) net of the media costs we incurred on their behalf.

Our total revenues decreased by $8.0 million or 67.2%, from $11.9 million for the year ended December 31, 2020, to $3.9 million for the year ended December 31, 2021. The following table sets forth a breakdown of our revenues:

	For the Years Ended December 31,				Variance	
	2021	%	2020	%	Amount	%
Rebates and incentives offered by publishers	$ 3,663,168	93.6 %	$ 9,430,758	79.2 %	$ (5,767,590)	(61.2)%
Net fees from advertisers	248,392	6.4 %	2,480,471	20.8 %	(2,232,079)	(90.0)%
Total	**$ 3,911,560**	**100.0 %**	**$ 11,911,229**	**100.0 %**	**$ (7,999,669)**	**(67.2)%**

The rebates and incentives offered by publishers decreased by $5.7 million, or 61.2%, from $9.4 million for the year ended December 31, 2020 to $3.7 million for the year ended December 31, 2021, which was mainly caused by the decrease of $6.1 million in revenue from Sogou, as the authorized agency agreement between the Company and Sogou expired on March 31, 2021. Sogou was our top publisher for the year ended December 31, 2020. In the first half of 2021, we entered into authorized agency agreements with both Alibaba and ByteDance, respectively, focusing on the provision of advertising agency services for advertisers in the education industry. However, due to the spread of unofficial news (which was officially announced in late July 2021) related to new governmental regulations restricting off-campus tutoring for students undergoing compulsory education in on the education industry since mid-April 2021, our advertisers in the education industry adopted conservative business strategies and decreased the number of their advertising services orders. As a result, the purchasing orders from our advertisers were negatively impacted and the rebates and incentives we earned from Alibaba and ByteDance were below expectations.

The net fees from advertisers decreased by $2.3 million, or 90.0%, to $0.2 million for the year ended December 31, 2021 from $2.5 million for the year ended December 31, 2020. The decrease was mainly caused by the decrease of $2.3 million in net fees earned from advertisers for mobile app ad services. Because advertisers of mobile app ad services were affected by the COVID-19 pandemic and required a long extension of credit from us, we reduced the amount of services rendered to such advertisers for the year ended December 31, 2021.

The following table sets forth a breakdown of revenues by services offered during the years ended December 31, 2021 and 2020:

	For the years ended December 31,		Variance	
	2021	**2020**	**Amount**	**%**
SEM services				
Gross billing	$ 22,618,957	$ 83,441,991	$ (60,823,034)	(72.9)%
Less: Media costs	20,169,837	75,276,377	(55,106,540)	(73.2)%
(as % of gross billing)	89.2 %	90.2 %		
Revenue from SEM services	**$ 2,449,120**	**$ 8,165,614**	**$ (5,716,494)**	**(70.0)%**
Non-SEM services				
Gross billing	$ 32,113,575	$ 51,442,185	$ (19,328,610)	(37.6)%
Less: Media costs	30,651,135	47,696,570	(17,045,435)	(35.7)%
(as % of gross billing)	95.4 %	92.7 %		
Revenue from Non-SEM services	**$ 1,462,440**	**$ 3,745,615**	**$ (2,283,175)**	**(61.0)%**
Revenues	**$ 3,911,560**	**$ 11,911,229**	**$ (7,999,669)**	**(67.2)%**

The revenues from SEM services consist of rebates and incentives offered by publishers. The revenues from SEM services decreased by $5.8 million, or 70.0%, to $2.4 million for the year ended December 31, 2021 from $8.2 million for the year ended December 31, 2020. The decrease in revenues from SEM services was primarily due to a decrease of $6.1 million, or 75.8% of revenues from Sogou as we has not provided agency services to Sogou since April 2021.

The revenues from non-SEM services consist of both rebates and incentives offered by publishers and the net fees from advertisers. The revenues from non-SEM services decreased by $2.2 million, or 61.0%, to $1.5 million for the year ended December 31, 2021 from $3.7 million for year ended December 31, 2020. Such decrease was mainly due to a decrease of $2.3 million in revenues generated from mobile app ads placed by our existing advertisers, as their business operations were affected by the COVID-19 pandemic and required longer credit term. As such, the Company reduced its provision of mobile app services for the year ended December 31, 2021.